

Corporate Credit Rating

New Update

Sector: Food Products Industry

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024

EBITDA Margin (%)



COGs/Sales (%)



Current Ratio (x)



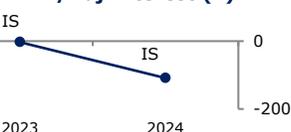
Adj.Net Debt/EBITDA (x)



Adj. Debt/Capital (%)



EBITDA/Adj.Interest (x)



CS: Cash Surplus, IS: Interest Surplus

OBA MAKARNACILIK SANAYİ VE TİCARET ANONİM ŞİRKETİ

JCR Eurasia Rating has evaluated the consolidated structure of "Oba Makarnacılık Sanayi ve Ticaret Anonim Şirketi" in an investment-level category and revised the Long-Term National Issuer Credit Rating from 'A+ (tr)' to 'A (tr)' and the Short-Term National Issuer Credit Rating from 'J1+ (tr)' to 'J1 (tr)' with 'Stable' outlook. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

"Oba Makarnacılık Sanayi ve Ticaret Anonim Şirketi" (referred to as "Oba Makarnacılık" or "the Company" or "the Group" with its subsidiaries) was established in 1966 under the name of "Türsan Kollektif Şirketi" to produce, trade, import and export all kinds of foodstuffs such as pasta, flour, semolina. The Company conducts its production activities in its two facilities in Gaziantep and Sakarya. Oba Makarnacılık exports around 70% of its products to 100 countries especially Algeria, Somalia, Venezuela, and many African countries. According to Türkiye's 2024 Top 500 Industrial Enterprises List prepared by ISO (Istanbul Chamber of Industry), Oba Makarnacılık ranked at 194th. According to Turkish Exporters Assembly's 2023 survey results for Türkiye's Top 1000 Exporters, Oba Makarnacılık ranked at 55th in general ranking while taking the 1st place in sectoral ranking.

The Company offered approximately 20% of its shares to the public through an initial public offering (IPO) in February 2024. The net proceeds of the IPO amounted to approximately TRY 3.7bn, excluding costs. Alpinvest Yatırım Gıda Sanayi ve Ticaret A.Ş. is the main shareholder of the Oba Makarnacılık with 57% ownership and controlling shareholders are Özgüçlü family members. The other shareholder in the Company with 23% ownership is Türkiye Pasta Holding Limited. Türkiye Pasta Holding Limited is a private limited company, founded in 2018 and owned by Bahrain based enterprises under the names Ventura Capital Bank and First Energy Bank. As of March, 31 2025, the number of personnel employed by the Company was 843 (2024: 845).

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Cash surplus position thanks to cash inflow from IPO and low borrowing level, supporting financial resilience,
- Ongoing positive trend in net working capital and adequate current ratio in reviewed years,
- FX-oriented revenue stream via export sales providing natural hedging opportunity to a certain extent,
- High equity level in reviewed years, supported by share premium and other internal means,
- Possessing its own R&D center and strong capability for new product development,
- Brand recognition and high production capacity with diversified product portfolio in the sector with history dating back to 1966,
- As a publicly traded Company, compliance with Corporate Governance Practices.

Constraints

- Due to Sakarya/Hendek facility explosion and drop in ton-based wheat sales, remarkable revenue decline in FY2024 and Q1-2025,
- Fluctuations in commodity prices may put pressure on profitability,
- Low profit margins due to prevailing market dynamics during the periods under review,
- Negative cash flow metrics in FY2024 and Q1-2025,
- Grain production's vulnerability to drought and extreme weather conditions as well as competitive structure of the industry and sector-wide dependency on imports in terms of wheat procurements,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

The Company's audited financial statements include inflation adjustments. Adjustments have been made in accordance with the terms of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2023 and 31 March 2024. Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised as 'A (tr)'. The Company's long-lasting presence in the sector, ongoing cash surplus position, positive net working capital as well as fluctuations in commodity prices, negative cash flow metrics, decline in agricultural sector in the Türkiye's Gross Domestic Product (GDP) share over the years, geopolitical and economic concerns are considered important indicators for the outlook of the ratings and the outlooks of the Long and Short-Term National Issuer Default Ratings have been determined as 'Stable.' The Company's indebtedness level, sales volume, revenue and profitability performance, equity and liquidity level, and effects of the global recession as well as enhancement in financial leverage and coverage ratios, political tensions, and other global downsides will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and the legal framework of the sector, will be monitored as well.